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ARMY 3	20	NAVY 5	Г		SUMMA	RY	an		()	-											
3	USIA	3	The January 23 deadline before which countries were to have made																		
71		NSU	declarations recognizing and respecting Cambodian frontiers or suffer a "freeze" in their relations with the Royal Khmer Government has																		
	<u> </u>	4	passed.	Among the red	calcitrant	few who	have not	responded	l to Prim												
DIST AMB DCM POL-4			Sihanouk's cool war maneuvers is Cambodia's northern neighbor the Kingdom of Laos. Neither the government authorities at Vientiane nor the RLG's peripatetic NLHS members in the "liberated zone" have volunteered a statement recognizing present Cambodian boundaries. Despite this RLG obstinecy, relations between the two small neutralist nations seem																		
											Α	RMA-2		unlikely to be affected. Nor do the Lao seem particularly disturbed							
												IRA	'n	by third country statements on RKG boundaries. The RLG considers such							
USAID/D USAID/RO			statements irrelevant to its claims which it intends to discuss																		
USAID/C&R			bilaterally with the Cambodians when the situation in Southeast Asia permits. In terms of temperature, Lao/Khmer relations were probably																		
USIS/D			chilliest in 1964 and by mid-1967 had warmed up to a state nearing																		
FILES-2			tepidity. Since last June when Prime Minister SOUVANNA Phouma initiated																		
			negotiations to revive an expired Commercial and Cultural Agreement of 1959 between the two countries, Lao/Khmer relations (with some setbacks																		
46			and considerable Lao forbearance) have perhaps even warmed up a few																		
0			more degrees. Differences that remain, arise both from questions of																		
¥8. ¥8.			<pre>substance, i.e., the Laos/Cambodia boundary and of style, the differences of personality and "neutrality" between Prime Minister</pre>																		
er.	-67		Souvanna Phouma and RKG Chief of State Prince NORODOM Sihanouk.																		
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BACKGROUNDON FRONTIERS

- 1. To understand the guarded optimism of the Lao that Sihanouk will not change the present state of relations with Laos and that the earlier Commercial and Cultural Agreement may be eventually reinstated, it is necessary to recall a bit of background material against which the past few months developments may be viewed:
- 2. The present dividing line between Laos and Cambodia consists of an "administrative" boundary established by the French in 1905. The Lao contend that this arrangement, placing Stung Treng Province in Cambodia, rested on colonial convenience rather than any traditional boundary or a frontier based on ethnic origin of population. At the Second Conference of Dalat (August 1946) the RIG reserved its position regarding its frontier with Cambodia. Only this summer the RIG reminded the Soviet Union of the Lao position, and, reiterated to the Russians their intent to raise the question of their boundary with Cambodia at a future date. As a practical matter, Laos bilateral discussions. Until this question is settled, the RIG understandably does not wish to issue a declaration recognizing the present boundaries of Cambodia. (FOV-11360).
- 3. Prince Souvanna Phouma on a visit to Cambodia in March 1964 had seemingly satisfactorily explained the RLG's position to Prince Sihanouk. However, between the time of Souvanna's departure from Phnom Penh and his arrival in Vientiane, Sihanouk launched a bitter tirade against the Lao Prime Minister for his "refusal" to recognize the existing boundary as definitive. Sihanouk's broadcast tended to exaggerate the real importance of the Lao/Cambodian frontier issue, while his boisterious bad manners and personal insults offended Souvanna's sensibilities and concepts of proper princely behavior. As a result of this episode, Sihanouk withdrew his Ambassador from Vientiane and the RLG retaliated in kind. Diplomatic representation has been at the Chargé level since that time.
- 4. To further complicate matters, in October of the same year at a conference of neutralist nations in Cairo, the then RLG Minister of Foreign Affairs, PHENG Phongsavan, presented an Aide Memoire to his Cambodian counterpart. As can be seen in the enclosed translation (Enclosure 1), this document, due either to Pheng's lamentable drafting style or his calculated ambiguity, is obscure almost to the point of incomprehensibility. It does imply that some gesture was made to reassure the RKG of Lao goodwill and respect for Cambodian neutrality and territorial integrity. Despite the rather innocuous nature of the document both His Majesty SAVANG Vatthana and Prime Minister Souvanna Phouma described Pheng's actions as totally unauthorized and the note unacceptable. However, they apparently did not officially inform the Royal Khmer Government of their views.

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- 5. King Savang Vatthana has also reportedly expressed himself negatively toward recognizing RKG frontiers. According to FOV-12,439 the King pointed out in November 1967 that given Thai and South Vietnamese territorial disputes with Cambodia, the RLG would not wish to offend by making a declaration ignoring their claims.
- o. NLHS: In general, Sihanouk, whose treatment of Souvanna varies in tone between pity and censure, has adopted a laudatory attitude toward Prince SOUPHANOUVONG. For its part, the Neo Lao Hak Sat (NLHS) which consistently commiserates with Cambodia as a fellow victim of "American aggression" has on appropriate occasions issued statements supporting RKG neutrality and territorial integrity, but the NLHS has issued no statement of recognition and respect for present Cambodian boundaries. Sihanouk's recent message to Souphanouvong (FBIS 16 Jan 1968, FB 11/68) indirectly underscored the absence of an NLHS declaration by mentioning the statement of respect and recognition of RKG boundaries made by the NFLSV and NVN. To date, it does not seem that the NLHS will be more forthcoming than Souvanna and the King in this regard.
- 6. (A) Third Country Statements: In the past few months embassies of governments making statements regarding Cambodian frontiers have approached the RIG concerning its attitudes towards their governments' declarations. The RIG has said it is not concerned with third country statements. However, all governments should realize that such declarations are irrelevant to the question of Lao/Cambodian boundaries which will eventually be the subject of bilateral discussions between the two countries involved. The RIG has not publicized this position. (Vientiane's 4026).

RECENT DEVELOPMENTS ON FRONTIERS

- 7. Cambodian Chargé d'Affaires at Vientiane, UM Amreth has introduced a somewhat more cordial tone into the official relations between Laos and Cambodia as well as improved the standing of the Cambodian community at Vientiane. While trying to improve relations the Chargé remained aware of Prince Sihanouk's omniverous reading habits and has dutifully "corrected" Lao "misunderstandings" of the RKG's foreign policy position and emphasized that Lao recognition of existing Cambodian boundaries is the keystone of improved Lao/Cambodian relations.
- 8. In August, one of the Chargé's letters to the editor of Xat Lao referred to the Aide Memoire that Pheng Phongsavan had given RKG Foreign Minister HOUAT Sambat at Cairo in October 1964. Disagreeing with the newspaper's claim that Lao leaders had never respected the division of Lao and Cambodian territories and did not at the present time, the Chargé, "quoted" Pheng's 1964 Aide Memoire which Um Amreth claimed, disavows any Lao dissatisfaction with the present Cambodian boundary. "There is no question whatsoever for Laos to sue for territory."
- 9. Although it would seem that even the most pro-Cambodian interpretation of the Aide Memoire could not extract from Pheng's abstruse effusions the precise formulation regarding frontiers that Sihanouk has lately been demanding, Um Amreth in August told the RLG Ministry of Foreign Affairs that the Aide Memoire satisfied Cambodian requirements. At the same time he suggested it would be desirable for the RLG to reaffirm this document's validity. The RLG did not do so.

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COMMERCIAL AND CULTURAL EXCHANGE

- 10. On July 29, 1967, in his capacity of Minister of Foreign Affairs, Prime Minister Souvanna Phouma wrote a letter to the Cambodian government seeking renewal of a commercial treaty, including provisions for the transit of goods as well as certain provisions for cultural exchanges, which Cambodia and Laos had concluded in October 1959. Conditional upon annual renewal, the treaty had not been discussed since its signing and expired a year later. In a letter dated July 26, 1967, the RKG expressed a willingness to discuss the treaty's renewal. As a follow-up to this exchange BOUASY (Secretary General of the Ministry of Foreign Affairs) accompanied a Lao tennis team to Phnom Penh and discussed the question of Lao/Cambodian transit arrangements with his former schoolmate, the then RKG Foreign Minister SON Sann. Since the railroad from Cambodian ports does not reach the Lao border, an economical transit system across Cambodia competitive with the Bangkok/Nongkhai route is not yet possible. However, the Lao, with the complicity and encouragement of Son Sann, decided to pursue treaty negotiations as a type of "blackmail" against the Thais and to demonstrate to the RTG their dissatisfaction with the present Thai/Lao transit arrangements. The treaty with respect to Thailand therefore represents more a gesture than a threat, since, as the Lao realize, the Thai are aware of the cost factors.
- 11. Although members of the MFA were not overly optimistic about either the chances of concluding the treaty's renewal or its immediate practical value, even if renewed, the Lao government in October named NGON Sananikone, Minister of Public Works, to head a delegation to conduct the actual negotiations which Bouasy and Son Sann had discussed in general terms in August and which the RIG Chargé at Phnom Penh KHAMTANH Ratanavong had reportedly pursued in some detail. No further progress has been reported.
- 12. Editorials in the local Lao daily newspapers Xat Lao and Sieng Lao welcomed the RLG's initiative and deplored the results of the Thai/Lao transit negotiations. Xat Lao's editorial (a translated portion of which is Enclosure 2) provided several details of the contemplated arrangement and hoped negotiations would succeed. The Sieng Lao article devoted most of its space to complaints against the Thai but heartily congratulated the RLG on its policy of seeking another outlet to the sea.

OTHER ISSUES

1). The Lave tribe's migration from Cambodia into Laos in the spring of 1967 and their subsequent "pursuit" by RKG officials in July led to a sharp exchange between the two governments both privately and through the press. Prime Minister Souvanna Phouma's request that the ICC investigate the RKG action gained some publicity, but the matter soon disappeared among the labyrinthian ways of the Commission's pending agenda items.

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Agence Khmer Presse) continued. In September, Sihanouk accused the Lao of infiltrating Cambodian territory as part of an American/Lao special forces group. In October he threatened war if the RIG tried to occupy any part of Stung Treng and rejected contemptously any Lao claims to the province. (He was reportedly responding to reports from Laos that the King and Souvanna had denied the existence of any letter relinquishing Lao claims to Cambodian territory, i.e., Pheng's Aide Memoire).



ly. At a November 3 press conference Sihanouk explained that although the NVN infiltration through Laos to the South violated the 1962 Accords, the RLG had "brought in the Americans" and hence the NVN felt justified in using Lao territory. In November also the Cambodian journal Neak Cheat Niyun described Sayaboury as ninety percent a "Thai Province" which led to a brief exchange in Xat Lao with Um Amreth and the Prime Minister's invitation to the Chargé to go see for himself if Sayaboury were "Thaicized." We understand Um Amreth did not accept Souvanna's invitation which was also extended to other members of the diplomatic corps. In any event, the problems of Nam Bac interrupted the Prime Minister's proposed tour.

CONCLUSION

- ló. Behind all private Lao/Khmer discussions or public bickering in the press lies the larger problem of the war and the particular problem of Sihanouk's search for recognition and respect of Cambodia's present boundaries. Although Lao officials are well aware of Sihanouk's problem and sensitivities they seem determined to preserve their right to discuss their border with Cambodia at some unspecified future date. Despite the annoyances and misunderstandings between the two countries, the Lao willingness to continue moderately cordial relations with Cambodia and to respond on the social level to the friendlier attitude adopted by the RKG's Chargé in Vientiane seems to have had moderately good results. The enclosed Xat Lao editorial, for example, expressed publicly the hope RLG officials had voiced privately i.e., that the Cambodians would not try to link the issue of frontiers to the question of renewal of the 1909 treaty. On November 25, 1967 the RKG indicated that Cambodia did not intend to relate the two questions.
- 17. At Stung Treng the former governor who had insulted Prince BOUN CUM na Champassak, irritated various other Lao and misunderstood or misconstrued problems in his reports to Phnom Penh has been replaced by former RKG Chargé at Vientiane, KEO Kimsan (FOV-13,043). Xat Lao speculated that this replacement augured for improved Lao/Khmer relations and hoped the former Chargé's knowledge of Laos would enable the RKG to have a more correct idea of the Lao situation. Um Amreth, in a letter to <u>Kat Lao</u> on January 11, 1966, agreed that the enange of governors represented the RKG's desire to improve relations and hoped the Cambodian action would be met by a corresponding effort by the Lao.

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13. Finally, the Lao, although always suspicious of the mercurial Sihanouk, had understood from Phnom Penh and from the RKG Charge here that a change in Lao/Cambodian relations was unlikely even though the RLG made no statement regarding Cambodian frontiers before the January 23 deadline. earlier decision of the Prime Minister and Ministry of Foreign Affairs officials who dealt with Cambodia, to resist attempts to secure an RLG statement about RKG borders has so far been proven justified. Having decided that practically anything they were prepared to say about Cambodian borders Lould only upset Sihanouk, the Lao, with commendable good sense, decided to say nothing thatsoever. The practical care the Lao have taken to respect the actual administrative line, their refusal to be overly provoked by Sinanouk's taunts, and their general disposition to deal with Cambodia in official and private channels rather than in the press has enjoyed a certain success. (However, relations between the two kingdoms are likely to remain at the Charge level unless Sihanouk would take some initiative to restore an ambassadorial exchange). Prime Minister Souvanna Phouma has probably decided that both he and Sihanouk have sufficient problems of their own without inviting more difficulties by arguing over a question of not very great significance and even less urgency that is best reserved for solutions in a calmer and less critical atmosphere. Until such a time, the Lao seem quite disposed to let smiling Khmer lie.

SULLIVAN

Enclosure 1 Vientiane's A-104

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1

AIDE MEMOIRE

Embassy Translation of French Original

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The fraternal friendship that links the Kingdom of Cambodia to the Kingdom of Laos is legendary. Our glorious monarch Fangum, architect of the territorial and spiritual unity of Lane Xang could only have accomplished his brilliant deeds as a National Herowith the aid of the filial affection and of the support in supplies and troops on the part of the Cambodian throne. Since then the centuries have never tarnished this grand friendship, confirmed above all others by the ties of the same royal blood which perpetuates itself in the hearts of our respective courts up to the present.

Recently Prince Sihanouk, Head of State of Cambodia, has again aided the Kingdom of Laos to recover its national path of neutrality, strengthening therefore the perenniality of the international personality of the Lao nation. Thanks to his inestimable support, Prince Souvanna Phouma, our Prime Minister, was able to raise himself to the high position of undisputed national leader and unquestioned architect of Lao neutrality. This has earned for him the respect and sympathy of the important figures in the family of non-aligned nations.

The lack of understanding which now characterizes the international relations between our two brother nations is, in our view, an erroneous interpretation of the real intentions of our government.

The Minister of Foreign Affairs of the Kingdom of Laos wishes to call the attention of the Minister of Foreign Affairs of the Khmer Kingdom to the following points to first smooth out the lack of understanding and, secondly, to create a common front in the struggle for the success of the policy of neutrality upon which the future of our two countries depends:

a. It was never contemplated that the Kingdom of Laos would claim any part of Khmer territory;



b. Due to the fact that Cambodia, by virtue of the 1962 Geneva Accords, "recognizes and will respect the sovereignty, the independence, the neutrality, the unity and the territorial integrity of Laos and will conform to these principles in every respect", it would be unseemly, illogical and inconsistent that Laos should decide not to accord Cambodia the same treatment.

At the heart of Cambodian thought, Cambodia by this international undertaking recognizes and will respect among all clauses, by the juridical term of international law "territorial integrity", the line of the present frontiers of Laos.

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The Minister of Foreign Affairs of the Kingdom of Laos would be grateful to the Minister of Foreign Affairs of Cambodia for being so kind as to transmit these clarifications to the worthy regard of His Highness Prince Sihanouk, Head of the Cambodian State who enjoys the highest esteem and the profound affection of the entire Lao people. Prince Souvanna Phouma, Head of the Royal Lao Government, has additionally instructed him (the Minister) to be so kind as to act as his intermediary in renewing to His Excellency, The Chief of State of Cambodia, the assurances of his most affectionate and most grateful sentiments.

(October 1964, Cairo, RIG Minister of Foreign Affairs Pheng Phongsavan to RKG Foreign Minister Houat Sambat. ed.)

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Enclosure 2 Vientiane's A-104

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XAT LAO October 30, 1967

"LAOS ASKS TO RENEW THE COMMERCIAL TREATY WITH CAMBODIA FOR COMMERCIAL AND CULTURAL EXCHANGE"

The heading is a quotation from a letter of June 29, 1967, from H.H. the Prime Minister in his capacity as Minister of Foreign Affairs to the Cambodian Government, asking for a renewal of the treaty of commercial and cultural exchange, and of the transit of goods which Cambodia signed on October 10, 1959, conditional upon renewal every year.

As we have no way out to the sea, we asked the Thai Government to reduce the cost of transporting our goods across Thailand. These costs of transportation are the most expensive in the world (or it can be called "scrape and squeeze out of the Lao"). For having swallowed our pride and begged for help, the end result that we gained from the country we consider as "our brother" was not as reasonable as we had hoped.

Nevertheless, Cambodia is a neighbor and a friend of long date, who once lived with us under the French regime. Even though the two countries have not gotten along very well for some years, Cambodia stilled showed its goodwill by answering the Prime Minister's letter on July 26, 1967. The answer stated that Cambodia had no objection and were pleased to have the treaty which was signed on October 10, 1959, brought up again six years after its expiration.

In the agreement on the exchange of goods, Cambodia would allow Laos to export the following products for sale in Cambodia: elephant tusks, coffee, dried mushrooms, teak, dyes, potatoes, benzoin, zinc and other raw materials. It is rumored that the exports made by Cambodia into Laos should not exceed \$2 million. Various (Cambodian) products imported into Laos would be: rice, pepper, water melon seeds, sugar, tobacco, fresh and dried fish, peanut oil, sausages, fish sauce, Chinese noodles, art crafts, automobile accessories, vacines and other products. The English pound sterling and the American dollar are to be the guarantee of the exchange of money.

As for the cultural exchange, it seems there are already many Lao students in Cambodia. Even after the expiration of the treaty the students went to Cambodia either by private means or by government grants. For example, this year 19 students have already been sent there officially to follow their studies in the University. They are studying to be engineers of public works, buildings and construction as well as artists.

As for the transit of goods, the Barcelona agreement of March 20, 1921 is the basis of the former Cambodian and Lao agreement, i.e., Laos is

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given the right to use the docks in Sihanoukville. According to the treaty, Cambodia allowed Laos to transport goods from Sihanoukville docks through Phnom Penh, Kratie and Stung Treng to Ban Hat Sai Khoune in Laos, a distance of about 817 kilometers. In addition, Cambodia also accorded to Laos the transportation of goods from Saigon to Laos through Cambodia, by passing through Snoul, Kratie and Stung Treng to Ban Hat Sai Khoune. As for the transportation by the river, the route taken is the same as above, but in Laos the boat docks in Ban Vouen Khao.

Additionally there is also an agreement that while there is no reilway from Sihanoukville to the town of Stung Treng the Lao and Cambodian authorities can establish a Lao/Cambodian transport group. The Cambodian government will also provide a cite close to Sihanoukville harbor for storage under Lao responsibility. These small problems such as the costs of the transport and the location of the warehouse cite will be decided later. It was also reported that the Lao government would send Mr. Ngon Sananikone as president of the delegation to the meeting which is to be held shortly. The problem is that the transportation will cost much more than from Bangkok to Thanaleng because it is by truck. Yet the goods reaching Pakse or Savannakhet from Cambodia may still be cheaper (than those coming by way of Thailand).

Perhaps the Cambodians will not be difficult to deal with, if they really want to help us. We believe that Cambodia would surely not bring up the problem of our two frontiers as the main condition to squeeze us on the costs of the transportation.

Although the cost of the transports from Sihanoukville docks will be more expensive than from Bangkok, the writer sincerely believes in and supports the government's decision initiated by H.H. the Prime Minister.

(Note: Several lines regarding costs of transit through Thailand have been deleted).

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